

103
A REVITALIZED ACDA IN THE
POST-COLD WAR WORLD

4. F 76/1: P 84/10

Revitalized ACDA in the Post Cold...

HEARING

BEFORE THE

SUBCOMMITTEES ON

INTERNATIONAL SECURITY, INTERNATIONAL
ORGANIZATIONS AND HUMAN RIGHTS

AND

INTERNATIONAL OPERATIONS

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

JUNE 23, 1994

Printed for the use of the Committee on Foreign Affairs



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(III)

CONTENTS

WITNESS

| | Page |
|---|------|
| The Honorable John D. Holum, Director, U.S. Arms Control and Disarmament Agency | 3 |

MATERIAL SUBMITTED FOR THE RECORD

| | |
|---|----|
| Response of Mr. Holum to a question posed by Mr. Berman concerning a list of advanced conventional weaponry which the United States has not sold to any other country | 10 |
|---|----|

APPENDIX

| | |
|---|----|
| John D. Holum, prepared statement | 17 |
| Remarks of John D. Holum to a conference cosponsored by the Center for National Security Law and the ABA Standing Committee on Law and National Security, dated June 10, 1994 | 36 |
| Questions submitted by the Subcommittees on International Security, International Organizations and Human Rights, and on International Operations to the U.S. Arms Control and Disarmament Agency and responses thereto | 47 |

A REVITALIZED ACDA IN THE POST-COLD WAR WORLD

THURSDAY, JUNE 23, 1994

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON INTERNATIONAL SECURITY, INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS; AND
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS,
Washington, DC.

The subcommittees met, pursuant to call, at 1:45 p.m. in room 2200, Rayburn House Office Building, Hon. Tom Lantos (chairman of the Subcommittee on International Security, International Organizations and Human Rights) presiding.

Mr. LANTOS. The Subcommittee on International Security, International Organizations and Human Rights and the Subcommittee on International Operations will be in order.

I want to welcome our distinguished witness, Director of the U.S. Arms Control and Disarmament Agency, Mr. John Holum.

As Director of the agency you have many important roles to fill. You are responsible for leading arms control negotiations, implementing and verifying arms control agreements, informing the public on issues of arms control and disarmament and, of course, managing your agency.

NORTH KOREA

But none of these responsibilities is more important, in my judgment, than your role as the principal adviser to the President on arms control and nonproliferation issues. It is in this capacity that you must counsel the President on the most important threat to international security since the end of the cold war, the acquisition of nuclear weapons by the hermit country of North Korea.

The gravity of the situation in North Korea, despite some optimism in the last 24 hours, cannot be overstated. A nuclear-armed North Korea, a rogue regime that has not hesitated to use the most brutal terrorist attacks to advance its mysterious and nebulous agenda, poses a very serious threat to our allies and to our troops in the region.

The administration appears to have backed off its demand that North Korea permit inspectors to determine how much plutonium it diverted in 1989, focusing instead on freezing the nuclear program at its current level.

It is my judgment that if North Korea is permitted to maintain an ambiguous nuclear status along with its ballistic missiles, Japan and South Korea may well feel compelled to acquire their

own nuclear deterrents, an option which is clearly well within their grasp. Such an eventuality would represent a major setback for global nonproliferation and would sharply increase tensions in a region critical to our economic and national security.

But the proliferation threat would not stop there. North Korea may be willing to sell its nuclear weapons or the material to make them to trading partners such as Iran.

Moreover, if North Korea succeeds in attaining nuclear ambiguity and receiving economic and political rewards from the United States, it will send a very strong message to countries relying on the nonproliferation regime to ensure their security. This could lead to disastrous results at the Nonproliferation Treaty Extension Conference next year.

I have been troubled by the failure of some to recognize that an effective foreign policy requires a willingness to accept risks and sometimes costs. The risks of demanding that North Korea give up their nuclear program is indeed great, but the costs of equivocating, while perhaps less immediately apparent, in my judgment is much greater.

As Director of ACDA it is your job, Mr. Holum, to ensure that the President, the National Security Council and the American people do not lose sight of the fact that the price of acquiescing to a nuclear North Korea is simply unacceptable.

ACDA REVITALIZATION

A little more than a year ago, my subcommittee held a hearing on the future of the Arms Control and Disarmament Agency. As you will recall at the time, ACDA's very existence was in serious jeopardy. Many argued that with the end of the cold war the agency had outlived its usefulness. They called for ACDA to be abolished or, at a minimum, to be folded into the Department of State.

I am extremely pleased by the President's decision not only to preserve ACDA but to revitalize it because this decision has clearly been vindicated by the course of events. ACDA is playing a vital role in stemming the proliferation of weapons of mass destruction and the means of delivering them.

For example, ACDA has initiated negotiations at the conference on disarmament on a comprehensive and verifiable nuclear test ban. ACDA has led the effort to bring into effect the Chemical Weapons Convention, an agreement of unprecedented scope which would bar its 154 signatories from acquiring or retaining chemical weapons. And ACDA has played an important role in controlling exports of items that might contribute to nuclear, chemical or missile proliferation. But there is a great deal that remains to be done.

FUTURE CHALLENGES

Foremost among the challenges facing ACDA is the Nonproliferation Treaty Extension Conference in 1995. The NPT, with about 160 members, represents the cornerstone of the international nonproliferation regime. ACDA must work not only to achieve an indefinite extension of the NPT but also to strengthen the treaty's provisions so as to prevent their evasion, as in Iraq, and their disregard, as in North Korea.

Progress on negotiating a CTB over the next year will help to achieve our objectives at the NPT conference. So will the negotiation of a global cutoff of the production of fissile materials, plutonium and highly enriched uranium, for weapon purposes or outside of international safeguards.

This initiative referred to as the cutoff convention is admirable as far as it goes. To fully address the problem of excess fissile materials, however, the cutoff should be extended to the production of plutonium for energy purposes as well.

In short, the ACDA agenda is full. Perhaps even overflowing. Far from being obsolete, ACDA has taken on an increasing responsibility in the post-cold war world. With so many issues competing for the attention of our foreign policy decisionmakers, it is imperative that you continue consistently and forcefully to raise nonproliferation and arms control concerns.

I personally want to commend you on your performance during these months that you have been in office. We have been very pleased with what you have achieved, and you have our full backing.

Your prepared statement will be entered in the record in its entirety, Mr. Holum, and you may proceed anyway you choose.

I would also like to thank at the outset Ted Hirsch, our staff specialist in this field, in preparing this hearing, as well as our Chief of Staff, Dr. King, and the minority staff.

**STATEMENT OF THE HONORABLE JOHN D. HOLUM,
DIRECTOR, U.S. ARMS CONTROL AND DISARMAMENT AGENCY**

Mr. HOLUM. Thank you very much, Mr. Chairman.

I will proceed with an abbreviated version of my statement, and I would like very much to return to a number of the subjects that you covered in your excellent opening statement, including a discussion of North Korea, because I think the points you raise are very well taken.

I am very pleased to be present before these two important subcommittees and, in particular, to thank you for helping to strengthen and to revitalize the U.S. Arms Control and Disarmament Agency. It was in large part due to your efforts that ACDA today is more capable than ever of fulfilling its distinctive mission.

The administration's active and effective support has been equally important, as you pointed out. Just as President Kennedy demonstrated leadership by creating the Arms Control and Disarmament Agency in 1961, strengthening and reinvigorating the agency today demonstrates leadership by President Clinton.

I might inject here that the administration's commitment to a strong and vital ACDA is reflected in what many see as the most tangible possible way, in the budget. At a time when budgets throughout the executive branch have had to be cut, the President proposed for ACDA an increase in both human and financial resources.

Mr. LANTOS. If I may ask you to suspend, Mr. Holum, this is a 5-minute vote, and I will put on my tennis shoes and run.

[Recess].

Mr. LANTOS. The subcommittees will resume.

Go ahead, Mr. Holum.

Mr. HOLUM. I will just pick up where I left off, Mr. Chairman. In my testimony I hope to give you both a progress report and a sense of my priorities after now 7 months as Director of ACDA. I want to stress at the outset the very fundamental point which is that ACDA's revitalization is emphatically not a case of making something from nothing. In particular, ACDA's gifted, experienced and committed professionals are a resource of the highest quality, as reflected by what they accomplished in negotiating the chemical weapons convention and last year in working on the administration's decision to freeze nuclear testing.

The challenge of revitalization has been finding the ways to support and capitalize on what is inherently a great national security asset.

Let me review briefly how our revitalization has been proceeding in terms of our three main missions. And you touched on all of them—negotiation, implementation and advice.

Under the direction of the President and the Secretary of State, ACDA has primary responsibility for the preparation, conduct and management of U.S. participation in all international negotiations in arms control and disarmament and, when directed by the President, in nonproliferation.

That includes what I consider to be the central arms control negotiations now on the international agenda: a comprehensive test ban, the extension of the NPT, the fissile cutoff proposal, nuclear weapons-free zone initiatives and, of course, future strategic weapons negotiations.

Indefinite and unconditional extension of the NPT treaty is our absolutely top negotiating priority in the coming year. The NPT is the institutional framework and legal basis for all of our efforts on nuclear nonproliferation from Iraq to South Asia to North Korea. Next year's NPT conference is our one best chance to ensure that this bedrock regime can be counted on forever.

I have recommended to President Clinton, and he has recommended to the Senate, that one of the country's finest public servants, Tom Graham, be given overall responsibility for this task, with ambassadorial rank. His hearing is tomorrow, incidentally.

We were also pushing hard, as you know, on the Comprehensive Test Ban negotiations in the Conference on Disarmament in Geneva. Negotiations reconvened May 16, and we are striving, as the President has instructed, to achieve a CTB at the earliest possible time.

The third negotiating priority, the fissile material cutoff, could bring the unsafeguarded programs of non-NPT states under some measure of restraint for the first time.

Our second main responsibility is for implementation and verification. Realizing the full potential of arms control agreements is one of the central tasks of our time.

ACDA's implementation work now includes leading the effort in the Standing Consultative Commission in Geneva to define the difference between strategic defenses limited by the ABM treaty and theater defenses which are not, includes ratification and entry into force and implementation of the CW convention on which I testified this morning with CIA Director Woolsey and Joint Chiefs of Staff

Chairman Shalikashvili before the Senate Foreign Relations Committee.

We have the Wyoming MOU and Trilateral Commission and Chemical Agreement between the United States, U.K. and Russia, the Conventional Forces in Europe Treaty, Open Skies Treaty, INF Treaty and, soon, entry into force of START and, hopefully, START II.

Truly, we are entering into the arms control implementation era which will be no less demanding than the original negotiations and, in some ways, more so. In particular, as I explained more fully in my prepared text, we must ensure that we have the resources, the negotiators, the inspectors, sensors, radars, satellites, aircraft and other technical means that we need to make sure we reap the intended benefits from all our agreements.

As you know, the need for arms control advice and advocacy is not just what saved ACDA this year but what first led to its creation in the Kennedy administration. The nation's leaders need to hear the case for arms control unfiltered. Arms control issues, instead of being compromised down or washed out by the time they reach the cabinet level, need to be injected into the decisionmaking process at the highest level.

I am told that in the past ACDA commonly had to fight to gain access to the policy process and too often was excluded. This is something I have focused on resolutely since the beginning of my service. We have been able, with a receptive National Security Adviser and staff, to work out a very inclusive list of subject areas, meetings and interagency working groups in which ACDA is now routinely involved.

It includes not only matters on which we have lead negotiation responsibilities, such as the ABM demarcation, but subjects such as proliferation in South Asia where others are on the front line.

It includes not only matters where arms control is predominant, like the test ban negotiations, but also areas like China and the Middle East where arms control is on but does not dominate the agenda.

As part of this process, the ACDA Director and Deputy Director take part in relevant meetings of the principals' and deputies' committees made up of the President's Cabinet and their deputies. Thus far, I have represented ACDA's perspective at principals' committee meetings about once every 10 days, which I am told is dramatically more often than in the past.

Let me comment just briefly on some management issues.

With the end of the cold war, arms control has changed. So must ACDA. Therefore, we have undertaken an in-house process of self-improvement dedicated to the proposition that if our agency makes the very best use of its people and resources its influence will far transcend its size.

As a first step, based on input from virtually every ACDA employee, we have designed and are now implementing an action plan to help the agency run more effectively and smoothly.

The second element is an assessment of the lines of business of our various bureaus and offices, the comprehensive examination of everything ACDA does and should be doing. It may well be that we

ought to do less in some areas in order to do certain core things better.

Two principles have guided my approach to this effort. One is that we must fulfill, as best we can, the priority missions assigned to us by the Congress and the administration.

The second is the principle of value added. We should concentrate on matters where we can bring something unique to the table, whether it is our expertise, our capacity for innovation or our distinct point of view. A highly disciplined focus is how a small agency can make a big difference.

One area where we need to make a difference is in working toward more effective ways of coordinating arms control and non-proliferation research and development. With the support of the National Security Adviser, ACDA drafted a Presidential Review Directive to achieve that. It is now being worked interagency.

Part of ACDA's charge is to be a forceful public advocate and authoritative source of information for arms control. We have established two new components in our Office of Public Information: a Public Diplomacy Division and a Publications and Media Division.

I am particularly proud of the ACDA Annual Report for 1993 which many have said is the most useful such document in years. It may help that it was prepared by a former staff member in the House. I look forward to presenting you with an even more useful report next year.

We have also emphasized public outreach and education. This has meant an active schedule of public appearances in which I and others have sought to articulate the benefits of arms control and the challenges and opportunities of the post-cold war period.

This period truly has brought a sea change in the global security environment. The months and years to come will continue to be a time of profound rethinking and reorientation in ACDA. The Arms Control and Nonproliferation Act of 1994 thus represents not just a great achievement but a practical tool for the future as ACDA continually prepares itself to deal with the world transformed.

I appreciate these subcommittees' abiding interest in arms control issues. Such attention and commitment are the true coin of the realm in our deliberative democracy today. I hope future sessions like this will continue and deepen ACDA's dialogue with the Congress which has demonstrated for more than three decades a unique appreciation for the necessity, importance and role of an agency dedicated to arms control.

I would be happy to take your questions.

Mr. LANTOS. Thank you very much, Mr. Holum.

[The prepared statement of Mr. Holum appears in the appendix.]

Mr. LANTOS. Before we move to questions let me pay public tribute to my friend and colleague Chairman Berman, who has done so much to keep this agency alive and has done so much in this field in the past.

If you are ready to make an opening statement, or should we start with questions—

Mr. BERMAN. I am always ready, but once in a while I am able to refrain. And I think I will on this occasion except to simply say that it was in partnership with you, among the many areas in for-

eign policy where we see eye to eye, that we were able to influence the decision on the revitalization of ACDA.

So I am glad we are holding this hearing to get a status report, and I welcome the Director who I have come to know and become very impressed with and look forward to the questions.

Mr. HOLUM. Thank you, Mr. Chairman.

Mr. LANTOS. Director Holum, let me ask you a few quick questions to give my colleague a chance to catch his breath.

What are the most important factors in achieving an indefinite extension of the NPT? Is it the completion of a comprehensive test ban treaty, strengthening IAEA safeguards to detect undeclared nuclear activities, or preventing North Korea from going nuclear?

Mr. HOLUM. I think every one of those is a very important element of the effort to extend the NPT indefinitely. They all go to perhaps what I think is the underlying message that has to get across here—certainly the North Korea case underscores that—and that is the need for the majority of the countries who will make this decision, which is the nonaligned, nonnuclear states, that the NPT is vitally important to their national security interests.

We have to separate the consideration of the NPT from the routine hum of debate and attachment of riders and so on that tends to occur, for example, in the U.N. First Committee or the General Assembly. We must convince these countries that the NPT is important, not for our purposes exclusively, but for theirs because it gives them an ironclad assurance that their neighbors are not developing nuclear weapons that would threaten them. This is so not only because their neighbors have said they wouldn't, but because there is an international verification regime that tells us, assures us that they have not.

That brings us back to the point of the IAEA and the importance of the strength and verification regime to solidify that consideration.

The overriding concern I have—and we are in the process of doing this, but we are not there yet—is to elevate the status of the NPT into something that is truly important, to make the point that you might gamble with your weekly paycheck but you don't gamble with your children's education or your house.

This is that kind of a big decision that comes along very infrequently.

Mr. LANTOS. What do you make of reports that Japan will support indefinite extension of the NPT only if it is given the freedom to recycle nuclear fuel by extracting its weapons-usable plutonium?

Mr. HOLUM. Japan.

Mr. LANTOS. Yes.

Mr. HOLUM. I have just been in Japan and, in fact, have had discussions on that—on their position on the NPT with senior officials of the government. I went to a U.N. conference in Hiroshima in May, and every conversation I had included a firm commitment without conditions, without limitation on the NPT extension. So I don't think they will attach that kind of a condition.

Mr. LANTOS. Good.

Are the Russians capable of meeting the Chemical Weapons Convention requirement that they destroy their chemical weapons stockpile within 10 years of the Convention entering in force?

Mr. HOLUM. It will be difficult. They will need help to do it.

Of course, we have thus far provided some \$55 million in non-nuclear assistance for that purpose. I suspect it will take more than that. With that kind of assistance, I believe it can be done.

There is no provision in the chemical weapons convention for a one-time, 5-year extension. I hope it won't come to that, and I think it is possible for the Russians to achieve it within the 10-year limitation.

Mr. LANTOS. Let me turn to the Comprehensive Test Ban. Which countries are taking leadership roles in the negotiations?

Mr. HOLUM. Well, there are many countries that are, and I am happy to say that the United States is one of them. We have been, as I said in my statement opening the Conference on Disarmament in January, out front pulling the process this time rather than in back dragging our heels. That has energized the Conference on Disarmament, plus the fact that all other countries are recognizing that we are on the threshold of accomplishing what has been a decades-long goal of the arms control community.

We are also having very significant leadership from the Germans. Ambassador Hoffman chairs the Working Group on Verification and is doing a superb job.

Ambassador Dimbinski of Poland is the chair of the Institutional and Legal Issues Working Group working on the scope and duration and those kinds of issues. That also is proceeding very well.

The entire P-5 are meeting on a regular basis—meeting weekly now to sort out issues among the nuclear weapons countries.

Mr. LANTOS. Which countries are delaying or obstructing the process?

Mr. HOLUM. I would resist the characterization of any country, at least at this stage, as obstructing the process.

While there have been the emergence of some contentious issues among the P-5 and even more generally, at this point I don't think the activities of any country are slowing down the process. Part of that goes to the important leadership being provided by Ambassador Miguel Marin Bosch, Chairman of the Ad Hoc Committee, from Mexico, who is keeping the process going and driving it very aggressively.

I think that is the key point. You made earlier the connection between the comprehensive test ban and the NPT. We have rejected the idea there should be any formal linkage, but there, obviously, is a political connection.

I don't know if we can have a CTB by the time of the NPT conference next year, have it completed and entered into force, because I don't know how long it takes to resolve, moving at the best rate, all of these issues. But I do think that what is fundamentally important is that no country be seen as slowing down the process and preventing an agreement; thus far, no country is in that position.

Mr. LANTOS. Congressman Berman.

Mr. BERMAN. Thank you, Mr. Chairman.

First, I don't know if you touched on this in the part of your opening testimony that I missed, but how close is the administration to completing the conventional arms transfer review that has been near completion for some time now?

Mr. HOLUM. I will be very careful to avoid setting a specific date, but I will say—

Mr. LANTOS. It is our impression it is in a permanent state of near completion.

Mr. HOLUM. I don't think that is the case, Mr. Chairman. As you know, this goes back some time.

ACDA, in fact, was instrumental in beginning this process, in instigating the administration's arms transfer review by proposing it at the National Security Council. And we drafted sections of the Presidential Review Directive.

We have reached the point where not only have we developed the various options to be considered but have reached agreement on quite a number of those options. There are some that are—

Mr. BERMAN. Do you want to preview any of them here?

Mr. HOLUM. I would rather do it in a private session if I could.

But there are still some options that are not resolved, and so I can't say that it is imminent. I think it is close. It has not been delayed, and we have not been sitting on it. We have been pushing it.

Mr. BERMAN. Let me touch on a few other areas.

I know it is very important and is an issue that raises debate and conflict. But at some point we have to resolve some of those points and move onto implementing policy.

One of our colleagues has introduced a bill, Cynthia McKinney, which would limit arms sales to countries that—what it seeks to do is, essentially, establish basic ground rules.

I guess, frankly, it is in the power of the administration to certify whether those ground rules have been met under the legislation. So it doesn't seek to usurp an executive function, but it establishes these limitations with respect to civil and political and human rights of the countries that would be the recipients of them.

The State Department authorization bill has a sense of Congress provision which provides that arms shall only be transferred to countries which provide data to the U.N. Registry on Conventional Arms.

Is it appropriate to limit arms sales to countries that comply with a certain code of conduct? If it is, what should the code be? Are these the guidelines that are part of the discussion in this review process? Is it wise to try to lay out some general parameters of whom we will send arms to, particularly advanced weapons, and whom we won't?

Mr. HOLUM. Yes, I think those kinds of issues are certainly important.

In particular, identifying what kinds of arms, advanced weaponry, that we won't sell anywhere, for example. And to identify the kinds of considerations and with much more specificity than we have in the past.

Mr. BERMAN. Is there any advanced conventional weaponry that we won't sell anywhere?

Mr. HOLUM. We have never sold, for example, nuclear submarines. Nuclear-powered submarines is an example.

I could provide for the record a list of the kinds of weaponry that we have not sold.

Mr. BERMAN. OK.

[The information follows:]

Weapons the United States has not transferred include:

- Nuclear-powered submarines (cooperation with the U.K.'s SSBN program has been the sole exception);
- Long-range "strategic" bombers (sale of F-111 aircraft to Australia has been the sole exception);
- Stealth aircraft
- Aircraft carriers;
- Smart naval mines and fast torpedoes;
- Aircraft carriers;
- Long-range aerial-delivered ground attack munitions, e.g., missiles, glide- and powered-delivery bombs, and range-extension kits.

We are generally defining long range as over 20 to 30 kilometers. Missiles with ranges that vary from 1 to over 100 kms. have been sold, with the majority having ranges less than 20 kms. The HARPOON (anti-ship missile) and HARM (anti-radiation missile) are "long range" exceptions. Sales of bombs and kits that extend their range have been consistently limited by a 20/30 kms. restriction. Some of these kits are designed to fly bombs over 100 kms with precise accuracy and they must be closely watched.

Additionally, the United States, as a member of the Missile Technology Control Regime, maintains a "strong presumption to deny" policy for exports of items covered by Category I of the MTCR Annex, e.g., complete rocket systems (including ballistic missile systems, space launch vehicles, and sounding rockets) and unmanned air vehicle systems (including cruise missile systems, target drones and reconnaissance drones) capable of delivering at least 1 500 kg. payload to a range of at least 300 km., as well as individual rocket stages, reentry vehicles, rocket engines, guidance sets, thrust vector control subsystems, and warhead safing, arming, fuzing, and firing mechanisms usable in such systems. The MTCR Guidelines also stipulate that "Until further notice, the transfer of Category I production facilities will not be authorized."

Mr. HOLUM. At the same time, I think it is important to keep in mind in this context that, at least ostensibly—and people will argue about whether these standards are observed in every case—we do not sell arms or provide military assistance to countries where the outcome will be against our national security interest. We begin with the national security consideration rather than a commercial consideration.

So many of these factors are already incorporated. The problem is they just are not explicit enough. ACDA——

Mr. BERMAN. A better way, perhaps, to formulate that, at least historically for the executive branch, they will never approve arms sales to any country where it would be against our national interest to do so when we understand our national interest.

Mr. HOLUM. That is a fair characterization.

ACDA has a role in reviewing that——

Mr. BERMAN. That is a comment about a previous administration.

Mr. HOLUM. Right. I appreciate that qualification.

ACDA takes an active role and has a review right in the conventional arms transfers under existing law, and we evaluate them according to a series of arms-control-related factors. There have been cases since I have been Director where arms transfers have been turned down based on our recommendation, on our refusal to approve those transfers.

So it is not that we don't have a policy of some kind. It is that we don't have one that is satisfactory, that captures in many people's minds enough of the weapons.

I also would point out in this context, though, that, in part, the reason why the U.S. share of the arms market globally has gone up so rapidly is not because the market has gone up rapidly but because other countries' share and the total market have gone down dramatically. Our arms transfers have remained relatively stable, but the Russians sales have gone down dramatically. In fact, many countries are buying less. They can afford less, and they are buying less.

Mr. BERMAN. Although in the context of the end of the cold war some of the logic of arms sales to other countries isn't there anymore.

Mr. HOLUM. True.

Mr. BERMAN. Which might have an impact on conventional arms sales we have not seen yet.

Take, for example, a country like Zaire and look at it in the context of the cold war. When we did give military assistance to Zaire we granted and sold conventional weapons to that country. It probably met some loose test of serving our national security interests.

They were an ally. They were pro-Western for the most part, I guess. But in the context of political rights, democracy, human rights—at the most fundamental level—they were really quite lacking.

Should that factor come into play? Once it has passed the national security test, meets our national security interest, but it is not essential—in other words, it isn't something essential to our national security interest. It doesn't go against our national security interest.

There are export values, jobs, from these sales, but there are other factors. Should that come into play?

Mr. HOLUM. The question of human rights should and, I understand, does come into play in the process of reviews by the Department of State, which has a leading licensing role. ACDA isn't in a position to do that because we don't have the expertise to evaluate transfers from that standpoint.

That doesn't mean it is not done. Nor does it, obviously, mean that it shouldn't be done.

One of the reasons why I personally think that human rights is a valid consideration is that countries that do not practice human rights are less likely over the long term to be stable friends and allies of the United States. In other words, countries that are repressive are more likely to turn and have their political systems disrupted and overthrown and perhaps go in extreme directions.

So I take that point, but I caution that it is outside of the ACDA role in reviewing arms transfers, and I would defer to other agencies to address it more fully.

Mr. BERMAN. Mr. Chairman, I have some other questions, but maybe for this round I will yield.

Mr. LANTOS. Before turning to my friend from New Jersey, may I ask a question?

The fiscal year 1995 Defense Appropriations Act requires both CIA and the Department of Defense to submit with their fiscal year 1995 budget request a report on funding for international arms control projects. These reports must include comments by ACDA on the arms control priority of each project.

Has the CIA or the Department of Defense sought your comments, as required by law?

Mr. HOLUM. Mr. Chairman, we have not yet received those reports. I understand that the report from the intelligence community has been delivered to the Congress without our comments.

OSD, the Office of the Secretary of Defense, has informed us that they are still working on the report and will forward it to us for review, but they noted that they would send us only those projects associated with arms control and not those dealing with non-proliferation or counterproliferation, which they stated had been covered in the Deutsch report on those issues.

Mr. LANTOS. But the CIA has not submitted anything to you?

Mr. HOLUM. No, they have not.

Mr. LANTOS. Have you explored this with the Director?

Mr. HOLUM. I have not talked personally with the Director about it. We have raised it at intermediate levels.

Mr. LANTOS. What is the answer?

Mr. HOLUM. I will have to get back to you with the specifics. My understanding is that they have not been willing to provide it to us for review.

Mr. LANTOS. Congressman Smith.

Mr. SMITH. Thank you very much, Mr. Chairman.

And Mr. Holum, welcome to the committee.

Mr. HOLUM. Thank you.

Mr. SMITH. Do you regard the Chinese detonation of the nuclear device recently as a single occurrence or do you foresee that there will be a series of such detonations in the not-too-distant future?

Mr. HOLUM. In his March statement, the President stated what is our consensus, which is that there are likely to be additional tests.

Mr. SMITH. Do we have any idea when and what type of—what is the caliber of their program? What can we glean from what we can observe?

Mr. HOLUM. It is difficult to go into very much detail in an open session, but I think our overall judgment is that this relates to their modernization program. For example, it is not a political kind of test, but rather that they have a series of things they want to do in terms of testing weaponry.

Mr. SMITH. Which probably would be more serious than if it was just kind of a political statement?

Mr. HOLUM. It is hard to make a judgment on that.

I think it is crucial to keep in mind that the Chinese did join the consensus at the United Nations last year for a negotiation of the CBT, which they said they would negotiate by 1996.

We deplore, obviously, their continued testing. There is no reason for them to test, particularly given the change in the world situation. It is very hard in these circumstances for any nation to justify a nuclear modernization program.

So we have been very outspoken in urging them not to test, urging them to join the moratorium that the other four nuclear weapons states, including the United States, have established.

Mr. SMITH. Do you feel that their flaunting of what seems to be what they say, not matching it with what they do, perhaps gives the green light to some other rogue governments that might follow

suit and talk a good game, buy more time and then indeed go ahead with tests?

Mr. HOLUM. I don't know of any other such country—and we have not seen any indications that there is another country that is preparing to test. I think what is encouraging is, notwithstanding the Chinese tests, the other four nuclear weapons states have made clear that they don't plan to test. They have continued to maintain the moratorium which began with the French and which we joined in 1992.

Mr. SMITH. Would you update the subcommittees on the status of nonproliferation efforts in the area of South Asia? And what kind of hope do you have with regards to Pakistan and India with respect to weapons of mass destruction?

Mr. HOLUM. Yes. We have, as you know, begun discussions on a variety of levels, including at the bilateral level. There has been some public discussion of the notion of a one-time lifting, one-time relief from the Pressler Amendment for Pakistan, in exchange for a verifiable cap of their nuclear program. That proposal is still on the table. But I can't tell you that it is making any significant progress.

At the same time, we are exploring with both India and Pakistan a missile initiative to try to deal most immediately with the changed circumstance which in the recent past has made their potential for nuclear weapons much more dangerous, and that is the development on both sides of missiles which, if armed with weapons of mass destruction, would reduce warning times to less than reaction times and really would put a hair trigger on the threat. So focusing on missiles is one immediate priority.

Another more general priority is to pursue a regional dialogue. The difficulty in addressing these things on a bilateral basis is that Pakistan says they are concerned about India. India says they have concerns about China. You have a circular argument.

So it is our view that a good way to approach this would be to include a number of countries in the region and more broadly countries with concerns in the region to address the nuclear missile and other dangers.

We have discussed with both India and Pakistan multilateral talks on regional security. Pakistan supports a multilateral approach; discussions with India are continuing.

My own view is that within the general framework of a policy which seeks to cap, roll back, and eventually eliminate the nuclear potential of India and Pakistan, given what I have described, our best prospect in the near term probably is to negotiate the test ban globally and the fissile material cutoff, more importantly, because the two countries have both indicated some receptivity to the idea of participating in a global ban, a global limit on fissile material which would, in effect, cap their nuclear programs.

So that is a general overview of where we are.

Mr. SMITH. Would it be fair to say the test in China and the further test would be fair, would destabilize those efforts in India and Pakistan?

Mr. HOLUM. There could be some connection, given the fact that one concern India expresses is its concern about China. At the same time, it would be hard to measure or identify a specific mar-

ginal impact because China already has a very substantial nuclear arsenal and that, rather than the tests, would be likely what really concerns India.

Mr. SMITH. We often get different estimates as to how many countries are actually part of the nuclear club, how many will soon become part of. Could you give us some insight into what your estimates are? What countries? And even if it is for the record it would be helpful.

Mr. HOLUM. No, I can give it to you here.

The original five, obviously, are nuclear weapons states. There are three who have advanced programs and are generally described as being able to develop an arsenal within a very short time: India, Pakistan and Israel.

Beyond that, we know of no—and are quite confident—there are no other nuclear weapons states.

North Korea is in an ambiguous circumstance, and you know what the reports are there. There is the strong possibility that North Korea diverted enough plutonium in 1989 to manufacture one or two nuclear weapons. We can't confirm that they have done that or that they have not.

Beyond that, we know that Iran, for example, is very interested in developing a nuclear capability. And they are making purchases internationally that are inconsistent with any rational, peaceful nuclear program that would enable them to produce weapons grade material. But, by most indications, they are 8 years to 10 years away from having that capability and will have a very difficult time doing it without outside help.

There has been progress in recent years as well in the sense that South Africa, which had a nuclear weapons program which they have revealed voluntarily, has given up that possibility.

Also Iraq, which didn't have nuclear weapons but was very far advanced, has been obliged to give up their nuclear weapons potential as a result of the resolutions by the U.N. growing out of the Gulf War.

But that is sort of an overview of where we are.

I should also mention, going back to something you mentioned earlier, Mr. Chairman, in the NPT context, that the three states upon which nuclear weapons were left at the end of the breakup of the Soviet Union—Belarus, Ukraine and Kazakhstan—have nuclear weapons remaining on their territory, but they are not in their possession or ownership. Of course, all have agreed to become nonnuclear states. The one remaining adherent to the NPT as a nonnuclear weapons state we are still awaiting is Ukraine.

Mr. SMITH. Thank you very much.

Mr. LANTOS. Congressman Berman.

Mr. BERMAN. Thank you very much, Mr. Chairman. We are in a vote, and if I can talk fast enough—unless Mr. Smith has more questions.

Mr. SMITH. No.

Mr. BERMAN. Perhaps we cannot force you to wait 20 minutes while I go vote and come back.

One thing I wanted ACDA to do—I think Chairman Lantos shared that sentiment and a lot of legislators were interested in—we want you to be critically involved in the nonproliferation issue.

So in your answer to the Chairman's question I don't know what this money is about, what the Department of Defense report is or the CIA report to the Congress, but when Department of Defense says to you they will share their report but—as to the arms control parts of it but not the proliferation parts of it, this is just the kind of thing that we do not want to see ACDA left out of.

So maybe at staff level we can look further into that. I think that runs directly counter to what we wanted to see happen.

We wanted really ACDA to be the lead nonproliferation agency in the Federal Government. That is part of what we thought of as revitalization.

There is nothing for you to say there, but——

Mr. HOLUM. Let me say we will make clear our intention to follow the law as written in the authorization bill. We have been doing that.

Mr. BERMAN. Secondly, does ACDA get involved in the COCOM successor issue, in the multilateral conventional arms restraint? Is that being pursued with ACDA's participation to your satisfaction in terms of efforts to achieve a successor regime?

Mr. HOLUM. Yes, we are.

We are included in the negotiating process and also the policy process for the COCOM successor regime. We were included, for the first time in history, in the design of the Export Administration Act, the successor U.S. domestic legislation, that takes into account the change in the international security environment. And we are involved in more export license reviews than we have ever been in the past.

Mr. BERMAN. A group of us are going to Europe, and we will be meeting with the French.

There is a question in COCOM concerning efforts to stop arms shipments and sophisticated dual-use technology to bad actors. I am specifically referring to items that aren't on a control list but are going to an end user that is developing weapons of mass destruction who will use the items as part of that program. I guess the ability to stop such an export is called a catchall kind of provision. How are our good and close allies with which we share so much behaving on this issue?

Mr. HOLUM. Well, let me say at the outset that the United States traditionally has taken a much more aggressive view on export controls, particularly in the weapons area and particularly in the multilateral context, than some of our allies who have just taken a different approach. They have suggested that whereas maybe dual-use items are different, arms exports and imports are an expression of national sovereignty or comparable reasons.

Given that background in particular, I am somewhat encouraged by the fact that we are moving in the COCOM successor regime toward a multilateral agreement on not only dual-use items but on arms exports. It will be a transparency regime, but once you have a transparency regime you have the ability to remonstrate and otherwise apply pressure.

So I think considerable progress is being made there. But there is still work to be done. We are not at agreement yet.

Mr. BERMAN. Let me ask one last question. And some of these things we can follow up on off the record and personally with you.

What is your opinion of the risks to an accelerating regional arms race and to our effort to stem proliferation of conventional weapons of the proposed sale of 400 used F-16's to various coalition partners?

Mr. HOLUM. I will have to get back to you on that, Mr. Chairman, because I have not personally analyzed that.

Mr. BERMAN. I would be interested in yours and ACDA's position on that.

Mr. HOLUM. I will be happy to respond for the record.¹

Mr. LANTOS. It is a very important question my friend just asked, and we would like to get your answer in writing soon as possible.

[The information appears in the appendix.]

Mr. LANTOS. We would like to thank you, Mr. Director, and we look forward to holding regular hearings with you. We wish you the best of luck in your very important assignment.

Mr. HOLUM. Thank you very much, Mr. Chairman.

Mr. LANTOS. This hearing is adjourned.

[Whereupon, at 2:55 p.m., the subcommittees were adjourned.]

¹The response appears in the appendix.

APPENDIX

STATEMENT FOR THE RECORD

BY

THE HONORABLE JOHN D. HOLUM
DIRECTOR
U.S. ARMS CONTROL AND DISARMAMENT AGENCY

SUBCOMMITTEE ON INTERNATIONAL OPERATIONS
AND
SUBCOMMITTEE ON INTERNATIONAL SECURITY,
INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

JUNE 23, 1994

(17)

Chairman Berman and Chairman Lantos, I am pleased to appear before you and the other Members of the Subcommittee on International Operations and the Subcommittee on International Security, International Organizations and Human Rights.

Let me take this opportunity to thank you both for playing central roles in strengthening and revitalizing the U.S. Arms Control and Disarmament Agency. Chairman Lantos made a great contribution last May when he introduced what ultimately became the Arms Control and Nonproliferation Act of 1994 (the "Act"). And of course, Chairman Berman's leadership and management skills were crucial to the timely and successful adoption of the Act as part of the State Department Authorization bill for FY 1995.

With the end of the Cold War, some felt that the need for arms control would recede. The Soviet-American arms race is, indeed, over. But paradoxically, the need for arms control has grown. The bipolar nuclear standoff has been replaced by what President Clinton described in the last State of the Union address as "rampant arms proliferation, bitter regional conflicts, ethnic and nationalist tensions in many new democracies ... and fanatics who seek to cripple the world's cities with terror."

Thanks to your efforts -- and those of Chairman Hamilton, Representatives Gilman, Sabo, Obey, Carr, and Porter and Senators Pell, Simon, Helms, and Hatfield -- ACDA today is more capable than ever of fulfilling its distinctive mission.

The Administration's active and energetic support has been equally important. The President announced his decision as to ACDA's future last July 3. In his radio address that day to the American people, the President declared:

I am ... taking steps to revitalize the Arms Control and Disarmament Agency, so that it can play an active role in meeting the arms control and nonproliferation challenges of this new era. The work of combatting proliferation of weapons of mass destruction is difficult and unending, but it is an essential part of this task. It must be done.

In his letter transmitting ACDA's 1993 Annual Report to the Congress (which I request be included in the hearing record), the President stated: "A specialized, technically competent, and independent arms control institution remains important to the Nation." He also noted that "the ACDA Director acts as principal adviser to the President and the Secretary of State on arms control, nonproliferation, and disarmament."

Just as President Kennedy demonstrated leadership by creating the Arms Control and Disarmament Agency in 1961, strengthening and reinvigorating the Agency today demonstrates such leadership by President Clinton.

The President's determination to strengthen ACDA is shared by the Secretary of State and the National Security Advisor. In a July 12, 1993 letter to the Chairman Pell of the Senate Foreign Relations Committee, Secretary of State Christopher wrote:

The President and I are fully committed to a revitalized ACDA through a combination of strong ACDA leadership, internal agency changes, full participation of ACDA in Executive Branch policy making, and legislative changes. You should also know that I have been working closely with Tony Lake on our approach. *** ACDA must be a principal player in decision-making and enjoy equal status with the other agencies involved.

The executive and legislative branches agree not only on ACDA's revitalization, but also on the following major priorities: eliminating the overarmament of the Cold War; preventing proliferation of weapons of mass destruction and their means of delivery; pursuing agreements and related policies to serve nonproliferation objectives; applying arms control solutions to regional problems; and establishing norms for the control and transfer of conventional arms.

Functionally, as you know, ACDA has three main missions. The first is to conduct and support negotiations. The second is to provide arms control advice and advocacy. The third is to implement arms control agreements already negotiated -- a burgeoning mission that includes but goes well beyond verification.

ACDA's revitalization is evident in all three of these areas, and is also reflected in our enhanced policy role, access, and budget. In my testimony today I hope to give you both a progress report and a sense of my priorities after six months as Director.

First, let me comment briefly on the significant accomplishments of the Act (listed in Appendix 1, which I request be made part of the Record). We are already making use of these important enhancements, which were signed into law by the President less than three months ago on April 30. And they have already proven their value by symbolizing the unequivocal support of both Congress and the Administration for a strong and vital arms control agency -- something that has been felt in the Executive Branch interagency process, in our legislative dealings, in our contacts with nongovernmental organizations, and in our innumerable contacts with foreign governments, bodies, and officials.

When I was initially considering becoming ACDA Director, I heard a great deal about how ACDA was no longer a significant player in the policy community. By virtue of its history in the last decade, the Agency's policy role had in fact been confined. But when I came on board I found a large group of talented and dedicated professionals who have always believed in arms control

and in what they are doing to bring it about. The Agency's vast potential was quite apparent to me very early on -- for example, as the focal point of the Government's efforts with regard to the Chemical Weapons Convention, or as a key player in President Clinton's decision to continue U.S. participation in the nuclear testing moratorium.

So I have to stress that ACDA's revitalization, while central to the national interest, is emphatically not a case of making something from nothing. The gifted, experienced, and committed professionals who have been the core of the Agency for the last three decades have always represented a resource of the highest caliber; the challenge of revitalization has been finding the right ways to take advantage of and support this great national security asset.

Let me review briefly how our revitalization has been proceeding in terms of the three main missions mentioned earlier.

NEGOTIATION

Negotiation is the first of ACDA's main missions that I'd like to discuss. Under the direction of the President and Secretary of State, ACDA has primary responsibility for the preparation, conduct and management of U.S. participation in all international negotiations in arms control and disarmament, and when directed by the President, in nonproliferation. These responsibilities include the CTBT, extension of the NPT, the fissile cutoff proposal, Nuclear Weapons Free Zone initiatives, and future strategic weapons negotiations.

Our top negotiating priority in the coming year is substantively straightforward but politically complex: indefinite extension of the Nuclear Non-Proliferation Treaty. The NPT is the institutional framework and legal basis for all our efforts on nuclear nonproliferation -- from South Asia to North Korea. Next year's NPT Conference is our one best chance to ensure that this bedrock regime -- and all it means to global security -- can be counted on forever.

We're also pushing hard in the Comprehensive Test Ban Treaty negotiations in the Conference on Disarmament ("CD") in Geneva. The negotiations reconvened on May 16, and we are working to achieve a CTBT "at the earliest possible time," as the President has instructed. I am cautiously optimistic that substantial progress in this negotiation will, in fact, create a favorable political climate for the NPT Conference next April.

A third negotiating priority is the fissile material cutoff. Such a global convention would prohibit the production of fissile materials for nuclear explosives or outside international safeguards. It could bring the unsafeguarded nuclear programs of

non-NPT states under some measure of restraint for the first time. And it would likewise halt the production of plutonium and highly-enriched uranium for weapons in the five declared nuclear-weapon states.

Preliminary consultations on a Fissile Cut-off have begun. It will be formally negotiated at the Conference on Disarmament in Geneva, and we expect that expert-level discussions on verification issues will be held in Vienna, the home of the International Atomic Energy Agency. We enter these talks with initiative, commitment, and serious purpose.

Ambassador Shannon of Canada has been appointed Special Coordinator in the CD for the fissile cutoff, and he has been consulting widely. The next step is to agree on a negotiating mandate and establishment of an ad hoc committee for this purpose.

In themselves, the CTBT and the Fissile Cut-off cannot prevent nuclear arms, but they are vitally important steps that would erect additional meaningful fences around nuclear weapons ambitions.

IMPLEMENTATION

Our second main responsibility is implementation and verification. Realizing the full potential of arms control agreements, including their verification obligations, is one of the central arms control and nonproliferation tasks of the future. Negotiating agreements sets the stage for buttressing our security, but it is in their fulfillment -- the largely unsung work of implementation -- that weapons which could be used against us are actually averted or taken down. More and more, the biggest part of the job is done after the Rose Garden ceremonies have ended.

With the advent of the arms control implementation era, ACDA's plate is full and growing fuller. Just a partial listing of the areas in which we are increasingly active includes the following:

- * our efforts in the Standing Consultative Commission in Geneva to define the difference between strategic defenses, which are strictly limited by the ABM Treaty, and theater defenses, which are not -- in a way that preserves the great strategic benefits of the Treaty but still allows us to mount effective defenses against missiles in the hands of an Iraq, Iran or North Korea;
- * leading the push for ratification, entry into force, and effective implementation of the Chemical Weapons Convention -- which will completely ban an entire category of indiscriminate weapons and break new ground on verification;
- * also regarding chemical weapons, our work with Russia on the Bilateral Destruction Agreement and the Wyoming MOU;

- * the Trilateral Agreement on Biological Weapons between the U.S., the U.K., and Russia;

- * fulfilling the Conventional Forces in Europe Treaty, and responding to the Russians' aspirations to exceed treaty limits on the flanks;

- * entry into force and operation of the Open Skies Treaty;

- * resolving issues in the SVC over monitoring procedures under the INF Treaty, and completing work on multilateralizing the Treaty; and

- * intensive work in the JCIC on the START treaties, relating both to preparations for their entry into force and to multilateralizing START I.

In the area of implementation, compliance, and backstopping, ACDA manages the U.S. role in a great many international bodies ACDA also has primary responsibility for assuring compliance and conducting periodic reviews of major arms control, nonproliferation, and disarmament agreements. And ACDA participates in policy-related and implementation activities with all the leading international arms control, nonproliferation, and disarmament entities. (Complete lists of these international agreements and entities are attached hereto as Appendices 2, 3, and 4, which I request be made part of the Record).

In addition, ACDA's implementation responsibilities extend to such matters as: security assurances; confidence-building measures (CBMs); "European" regional security issues such as Balkan arms control and establishment of the CSCE communications network throughout the former Soviet Union; the UN Special Commission on Iraq (UNSCOM); ongoing industry liaison with chemical and biological industry representatives; liaison with the Chemical Weapons Office of National Authority (ONA), and bilateral and trilateral arms control efforts such as CW destruction agreements; and efforts to support non-proliferation in all these areas. In addition, the Act reinforced ACDA's role regarding the UN Conventional Arms Transfer Register (TIA), and its participation in backstopping for all European arms control negotiations and implementation, as well as the management of treaty review conferences.

Let me just comment briefly on the challenge and importance of START implementation -- addressing the bulk of all the world's weapons of mass destruction that can be delivered with devastating force on our own country. Our work encompasses two main tasks: dealing with the problems of multilateralizing a treaty originally negotiated bilaterally; and preparing for entry into force.

START was signed in 1991, and START II in January 1993. Some think that means we have taken care of the problem of Soviet heavy missiles and counterforce capabilities, and deeply cut back strategic nuclear forces. Well, not quite. Though reductions are being made, no country is yet legally required to destroy a single missile, bomber or submarine under the START Treaties. They have not yet entered into force.

Therefore, we must aggressively pursue efforts in the START Treaty's Joint Compliance and Inspection Commission (or "JCIC") to resolve issues that must be worked out prior to, or shortly after, START's entry into force. The U.S. delegation to the JCIC, led by Ambassador Steve Steiner of ACDA, has been making great progress on those issues.

In addition we must, of course, continue pressing Ukraine to fulfill its commitment under the Lisbon Protocol and the Trilateral Statement to adhere to the NPT as a non-nuclear-weapon state as soon as possible. That action is the one remaining hurdle to START entry into force.

New and unexpected technical issues can also cause complications. For example, when Russian defense enterprises began modifying ICBM missile designs for civil space launch purposes, this posed the question of their treatment under START obligations and monitoring procedures. If arms control agreements are to make a continuing contribution to the security of the United States and the other parties, then each such agreement must be kept viable through a continuing negotiating effort and through solutions that account for new developments but preserve the original policy objectives of those agreements.

Agreements of the complexity of the START Treaties, INF, and the Chemical Weapons Convention involve a continuing need to negotiate detailed implementing procedures and carry out obligations regarding notifications and inspections. That reality is detailed in my remarks on the advent of the "arms control implementation era," delivered at an ABA conference earlier this month. I ask that a copy of this speech be included in your hearing record.

ADVICE

As you know, the need for arms control advice and advocacy is not just what saved ACDA last year, but what first led to its creation in the Kennedy Administration. ACDA grew out of the conviction that the President needs to hear the case for arms control unfiltered -- presented by an advisor dedicated to arms control as his or her highest priority.

This means that arms control considerations -- instead of being compromised down or washed out by the time they reach the

Cabinet level -- are injected into the decisionmaking process at the highest levels. When arms control and nonproliferation issues are on the agenda, the Director of ACDA joins the National Security Advisor, the Secretaries of State and Defense, the Chairman of the Joint Chiefs of Staff, the UN Ambassador, the Director of Central Intelligence, and the heads of other affected departments and agencies in meetings of the NSC Principals' Committee.

The right to go directly to the President with arms control advice is also built in to the ACDA Director's role. Obviously this is a right to be exercised sparingly. But it is a valuable recourse when the interagency process does not adequately reflect our views.

Fortunately, there has been little need for this, because the access granted to ACDA in the interagency process has been very broad.

I'm told that in the past ACDA commonly had to fight to gain access to the policy process, and too often was excluded. This is something I have focussed on determinedly. We have been able to work out with a receptive National Security Adviser and staff a very inclusive list of subject areas, meetings, and interagency working groups in which ACDA now is routinely involved. It includes not only subjects on which we have lead negotiating responsibility -- such as the ABM/TMD demarcation -- but subjects, such as proliferation in South Asia, where others are at the front line. And it includes not only matters where arms control is predominant -- like the test ban negotiations -- but also areas, like China and the Middle East, where arms control is on but does not dominate the agenda.

As part of this process, the ACDA director and deputy director take part in relevant meetings of the Principals' and Deputies' committees, made up of members of the President's cabinet and their deputies. Thus far I have represented ACDA's perspective at Principals' Committee meetings about once every 10 days.

The overriding point is institutional, not personal. This Administration is genuinely committed to arms control and nonproliferation and to ACDA's expanded role. And that would be the case no matter who sat in my chair.

ACDA's revitalization means strengthened ties not just with the White House, but throughout the Executive Branch. We are enjoying a good working relationship with the Departments of State, Defense, Energy, the Joint Chiefs, and the intelligence community. ACDA's views are sought out and considered at the most senior levels of foreign policy formulation. It has been my privilege to articulate ACDA's views and judgements to the President, the National Security Advisor, the Secretary of State, and to a variety

of Cabinet and sub-cabinet officials, to members of the Legislative Branch, to foreign officials and to various public interest groups.

ACDA has vigorously met the challenge of resuming its intended role. Its director is the principal advisor to the President, the National Security Council and the Secretary of State on the full range of arms control, nonproliferation and disarmament matters.

Perhaps of even more significance to the long-term institutional resurgence of ACDA is the now routine participation of ACDA representatives in all levels of the Washington interagency policy arena. ACDA is represented on the full spectrum of policy formulation and implementation venues. This permits us to have access to formerly restricted channels of communication and documents so that we can fully vet and coordinate our perspectives on relevant issues. We have established closer ties to the Department of State, relative both to the substance of issues and in the use of technology and communications. We are working to pool limited resources and to obtain the most out of our joint endeavors, to achieve U.S. objectives.

I have insisted, and will continue to insist, on coordination and good process in both directions. So far, ACDA and the other national security agencies are working well together as we work out our respective roles and address a colossal agenda.

One aspect of ACDA's revitalization is its enhanced role in the Administration's nonproliferation policy-making process. One example is its active participation in the Administration's conventional arms transfer policy review. Another is the enhancement and clarification of its role in decisions on U.S. dual-use exports.

Innovation

Another aspect of ACDA's advisory role is innovation. We are looking not just at what arms control can do better, but at what arms control can do for the first time.

ACDA will be examining such matters as the need for new arms control restraint regimes, the potential merits of citizen verification, and ways to foster greater cooperation between the U.S. Government and industry in arms-control related areas. Such cooperation worked well during the negotiation of the Chemical Weapons Convention (CWC) and continues to work well in the CWC ratification phase. Cooperation with industry will also be important to future arms control agreements, including a CTBT.

Let me discuss briefly just one initiative in which ACDA will play a leading role. We're becoming increasingly involved in conventional weapons generally, and land mines specifically. If we set our priorities according to weapons' actual versus potential

harm, this would quickly work its way to the top of the list. Nuclear weapons haven't killed anyone on purpose since Hiroshima and Nagasaki. But in the time we will spend in this room together, it's likely that somewhere in the world, a noncombatant civilian -- most likely a farmer at work or a child at play -- will be killed or maimed by a land mine.

More than a hundred million land mines are in place today. Most sit and wait for years until someone -- anyone -- steps on them. And over 2 million additional mines are being emplaced every year -- about 25 times as many as are being removed.

But it's not that hard to make land mines that are both self-destructing and self-inerting within a few days of emplacement. It seems to me that we'd accomplish a great deal if we succeeded in globalizing a norm to make all land-mines self-eliminating in this way.

MANAGEMENT

As the end of the Cold War has changed arms control, it must also change ACDA. As a complement to our revitalization by the Congress and the Administration, we have undertaken an in-house process of self-improvement that is well underway. It is dedicated to the proposition that our Agency must make the very best use of its people and resources if its influence is to transcend its size.

There are two broad parts to this process. First, ACDA's Management Assessment has involved broad and active initial consultations within the Agency as to how we can make most effective use of our resources, empower our employees, improve morale, and remove barriers to top performance. Virtually every employee in the Agency took part in these discussions. The results were tabulated, and our senior staff then met to consider them, absorb data, and discuss issues. We have designed and are now implementing an action plan to help the agency run more effectively and smoothly. Our Strategic Planning Working Group has begun addressing near term solutions for the FY 96 budget cycle. Then it will assist in developing our vision for the future -- in light of changes in the world, the needs of our "customers" within and without the Administration, and our Congressional mandate.

The second element of this process is an assessment of the "lines of business" of our various bureaus and offices -- a comprehensive examination of everything ACDA does and should be doing. We entered it with no preconceptions about protecting turf or enshrined ways of doing things. It may well be that we ought to do less in some areas in order to do certain core things better.

Two principles have guided my approach to this effort. One is that we must fulfill as best we can the arms control missions

defined as priorities for us by Congress and the Administration. The second is that we ought to be guided as well by the concept of value added.

ACDA should not duplicate everything DoD does in defense, or State does in diplomacy, or Commerce does as to exports. We should instead concentrate on matters where we can bring something unique to the table -- whether it is our expertise, our capacity for innovation, or our distinct point of view. A highly-disciplined focus is how a small agency can make a big difference. Mindless turf-grabbing is a bureaucratic reflex that I intend to avoid.

Budget and Personnel Matters

Let me comment briefly on the cross-cutting matters of budgets -- our own and others' -- and personnel. Such matters are among the best barometers of revitalization's success.

The Administration's commitment to a strong and vital ACDA is reflected in our budget. At a time when budgets throughout the executive branch are being cut, the President proposed for ACDA an increase in both human and financial resources. We are grateful for the support of the President and OMB in the budget process, and also for the strong advocacy on our behalf by Secretary of State Christopher.

We also have a strong interest in the adequacy of other agencies' budgets, as they directly affect our mission. Specifically, as I have said, arms control implementation is becoming a mammoth mission. It is complicated by the fact that, to verify compliance, we depend heavily on physical and analytical resources controlled by other agencies.

One example of this is the COBRA DANE radar system, located in the Aleutian Islands, which is used to verify key provisions of the Strategic Arms Reduction Treaty. With the demise of the former Soviet Union, a number of national collection assets have been reoriented to other areas of the world or disestablished. In this vein, there were suggestions to discontinue operations of the COBRA DANE radar system. But we have been able to work with the Department of Defense and the Central Intelligence Agency to retain this important verification asset.

This case, however, points up a long-term systemic danger to the arms control implementation and verification mission. With the NPT, CWC, CFE, Open Skies, INF, and START Treaties -- as well as a global test ban, fissile material cutoff, and other initiatives to come -- we are piling up arms control implementation and verification requirements. But verification depends on radars, sensors, satellites, on-site inspectors, and other assets owned and operated entirely by other agencies, not by ACDA.

And most agencies of the government are cutting their budgets, to attack more than a decade of deficits and thereby rescue the economy. Deep cuts are expected from agencies like Defense, Energy, and Intelligence, whose missions have changed in the aftermath of the Cold War.

All of those agencies quite reasonably will apply their own standards of cost-effectiveness to their budgets -- balancing defense or intelligence requirements against arms control verification.

You can see the tension. Already it has occupied a considerable amount of my time as Director of ACDA. In the months ahead it could well become a preoccupation.

R&D Coordination

A related cross-cutting interagency issue is the important challenge of coordinating the development and implementation of programs and projects to support arms control verification. Historically, coordination has been spotty at best. So this is an issue that I believe has benefitted from timely congressional interest. The Act this year significantly strengthened ACDA's role in coordinating research and development ("R&D") on arms control, nonproliferation, and disarmament. It also called on ACDA to prepare a report on all such research and development conducted by executive branch agencies.

Accordingly, ACDA has taken an active role in working toward a more effective process for coordinating arms control and nonproliferation R&D. With the support of the National Security Advisor, ACDA drafted a Presidential Review Directive, issued on May 25, toward that end, and it is now being worked interagency. In the meantime, ACDA also significantly revised the format of future reports on completed R&D studies to include assessments of the relationship of these projects to national arms control priorities.

Personnel

Great interest has been expressed -- and rightly so -- as to when ACDA may be graced with its full complement of presidential appointments. Obviously I share this interest.

My personnel search was prompt and aggressive. I recruited broadly, reviewed scores of resumes, and personally interviewed at least fifty candidates. Within about six weeks of coming on board, I submitted a full slate of eight PAS candidates to the White House. All were substantively very well qualified for the positions for which they were proposed. The President blessed them all in two weeks' time -- one week of which, incidentally, he was

in Brussels at the NATO summit and in Moscow and Kiev finalizing the trilateral accords.

As you know, we have named most of the PAS appointees publicly. Assistant Director designees Amy Sands, Lawrence Scheinman, and Michael Nacht are all superbly qualified, highly respected, and deeply experienced in their respective fields. Confirmation of Thomas Graham Jr. will officially place the task of NPT extension into just the right hands. And if confirmed, our Chief Science Advisor designee, James Sweeney, will greatly help both sides understand one another when science and policy intersect. I am delighted that their confirmation hearing before your colleagues on the Senate Foreign Relations Committee is being held tomorrow.

The remaining appointments will be made public soon. Their qualifications -- and my enthusiasm for them -- are equally strong. There is good reason to be hopeful that the process will be completed in the next two months.

Public Affairs

Part of ACDA's charge, of course, is to be a forceful public advocate and authoritative source of information for arms control.

As you know, ACDA's organic act from the beginning has always mandated "the dissemination and coordination of public information concerning arms control and disarmament." To this end, we have established two new components in our office of Public Information: a Public Diplomacy Division and a Publications and Media Division.

The Publications and Media Division produces a range of materials, including press releases, fact sheets, brochures, ACDA News, News Roundup, Special Edition, reports compendiums of treaties and agreements, historical documents, ACDA Newsletter, Current Articles, and a journal, Studies in Arms Control and Nonproliferation. It also handles press contacts and the ACDA Speakers Bureau. This division fills thousands of information requests each year. Responding to this increasing demand, we recently established a toll-free number (1-800-581-ACDA) for publications requests and inaugurated an Electronic Bulletin Board.

I am particularly proud of the ACDA Annual Report for 1993, which many have said is the most useful such document in years. It inaugurated a new format and contained fuller descriptions of our activities and priorities than ever before. I am gratified by the response the Report has received already, and look forward to presenting you with an even more useful such document next year.

In the past six months our public information activity has expanded considerably, often breaking new ground for the Agency. For example, we have inaugurated and are conducting an active

public diplomacy effort, coordinating an interagency working group on the subject and conducting substantial public outreach in the academic and NGO communities. And preparations are underway for significant outreach and recruitment efforts that will take me to me to visit a number of historically black colleges in coming months.

The priority I have placed on public outreach and education has meant an active schedule of public speaking for me as well as other top Agency officials. I have already made more than a dozen major speeches -- not only to Washington audiences, but also at the UN in New York, at Notre Dame, at the Conference on Disarmament in Geneva, and in England and Japan.

CONCLUSION

We have all seen the world change dramatically in recent years. The post-Soviet era truly has brought a sea change in the global security environment. The aftermath of the bipolar arms race remains a great issue that we continue to address in implementing the START, INF, and ABM treaties. But we are also dealing with a series of new challenges that have emerged from the shadow of the old superpower standoff -- challenges on which the President and leading voices in the Congress have spoken out.

All this means that the business of national security agencies has changed not only in the United States, but worldwide. India, Egypt, Malta and several other countries have begun to set up national entities which are based on the ACDA model. Germany has had an arms control commissioner for some time. At their summit May 30-31, France and Germany reportedly discussed opening their proposed bilateral armaments agency to other members of the Western European Union. In short, the ACDA model of a specialized arms control agency is becoming more widely known and emulated throughout the global arms control community.

The months and years to come will continue to be a time of profound rethinking and reorientation about how ACDA's authority and resources can best be deployed to fulfill a growing mission in a world transformed. We must preserve our achievements -- and be willing to reconsider old ways of thinking about global security. We must realize the promise of our strategic treaties -- and begin looking beyond them to other steps that could increase stability and reduce reliance on nuclear weapons.

ACDA is working to meet all the challenges I've laid out today, and at the same time, to rethink and redesign how we are structured and operate. The Arms Control and Nonproliferation Act of 1994 is an integral part of this ongoing process -- representing not just a great achievement, but a practical tool for the future. My testimony today has suggested some of my further thinking on these matters.

I appreciate the attention and commitment this Committee has devoted to arms control issues; these precious resources are the true coin of the realm in our deliberative democracy today. I am keenly aware of how important to our mission your support has been and continues to be. And I fully expect that future such sessions will continue and deepen ACDA's dialogue with the Congress, which has demonstrated for more than three decades a unique appreciation for the necessity, importance and role of an agency dedicated to arms control.

With that, I'll be happy to take your questions.

APPENDIX 1: Brief Summary of Some Significant Accomplishments of
The Arms Control and Nonproliferation Act of 1994

Among other things, the Act provides for:

- * new appointment authority for Presidential Special Representatives for arms control, nonproliferation, and disarmament matters;
- * new authority to hire specialized technical and expert personnel;
- * reaffirmation of the Agency's lead role in informing and educating the public on arms control, nonproliferation and disarmament matters;
- * increased involvement in export review, decision-making, and controls pertaining to arms control, nonproliferation, and disarmament objectives;
- * a guarantee of ACDA's role in the development and implementation of policies and programs to promote defense conversion and to dismantle the excessive armament of the Cold War era; and
- * reaffirmation of the Agency's role as the coordinator within the U.S. Government for arms control, nonproliferation, and disarmament research.

APPENDIX 2: International Bodies or Negotiations
In Which ACDA Manages the United States Role

| | |
|---|--------|
| Bilateral Consultative Commission | BCC |
| Biological Weapons Convention | BWC |
| Chemical Weapons Convention Preparatory Commission (PrepCom) | CWC |
| Comprehensive Test Ban Treaty | CTBT |
| Fissile Material Cutoff | FMC |
| Joint Compliance and Implementation Commission (START) | JCIC |
| Joint Consultative Group | JCG |
| Open Skies Consultative Commission | OSCC |
| Organization for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (Treaty of Tlatelolco Conference) | OPANAL |
| Special Verification Commission (INF) | SVC |
| Standing Consultative Commission (ABM) | SCC |

APPENDIX 3: International Agreements in Which
ACDA has Primary Responsibility for
Implementation, Compliance, or Review

Anti-Ballistic Missile Treaty (ABM)
Biological Weapons Convention (BWC)
Bilateral Destruction Agreement (CW, 1990) (BDA)
Conventional Armed Forces in Europe Treaty (CFE)
Chemical Weapons Convention (CWC)
Intermediate-range Nuclear Forces Treaty (INF)
Limited Test Ban Treaty (LTBT)
Non-Proliferation of Nuclear Weapons Treaty (NPT)
Open Skies Treaty (OS)
Peaceful Nuclear Explosions Treaty (PNET)
Strategic Arms Reduction Treaty (START)
Strategic Arms Reduction Treaty (START II)
Threshold Test Ban Treaty (TTBT)
Vienna Document 1992 (CSBMs)
Wyoming Memo of Understanding (CW, 1989) (MOU)

APPENDIX 4: Leading International Entities
 In Which ACDA Participates

| | |
|---|------|
| Australia Group | AG |
| Bilateral Implementation Commission | BIC |
| Conference on Security and Cooperation in Europe | CSCE |
| Forum for Security Cooperation (CSCE) | FSC |
| International Atomic Energy Agency | IAEA |
| Missile Technology Control Regime | MTCR |
| NATO High Level Task Force | HLTF |
| Nuclear Risk Reduction Center | NRRC |
| Nuclear Suppliers Group | NSG |
| On-Site Inspection Agency | OSIA |
| Zangger Committee (NPT Exports Committee) | ZC |



OFFICIAL TEXT

REMARKS OF
THE HON. JOHN D. HOLM, DIRECTOR
U.S. ARMS CONTROL AND DISARMAMENT AGENCY
TO A CONFERENCE CO-SPONSORED BY
THE CENTER FOR NATIONAL SECURITY LAW
AND
THE ABA STANDING COMMITTEE ON LAW AND
NATIONAL SECURITY

JUNE 10, 1994

Thank you for that warm welcome. It's my pleasure to join you this evening.

I'm not going to talk to you tonight about the crucial and well-publicized arms control negotiations underway around the world, although several are in progress.

Instead, I want to discuss something less glamorous -- but in today's security context, even more important. That is the steady work of bringing arms control to fruition, of translating the gains agreed to on paper into real results on the ground.

This is a particularly apt topic for the Director of ACDA. We are deeply involved in negotiations underway -- the comprehensive test ban, extension of the Nuclear Non-Proliferation Treaty (NPT), and the fissile material cutoff, among others. But we also have a sharply expanding mission in the implementation of arms control agreements and regimes, which includes verification but goes well beyond it.

And it's especially important that I talk about this now because I see a danger looming to this vital mission.

What exactly do I mean by implementation?

Over the Cold War years many of us developed the habit of thinking of arms control as a goal that conflicted with national defense. Politically speaking, that often may have been true. But as a practical matter, arms control and defense share a common purpose: to make us safer. Both address threats to our national security. Defense deters or defeats these threats. Arms control quietly takes them away.

In these terms, arms control negotiations can best be likened to our standing military forces. They represent the promise that an adversary's arsenals will be destroyed. But that promise isn't kept until those arsenals are actually taken down. Functionally, implementation -- not negotiation -- is where most of the action takes place in arms control.

North Korea comes to mind. What we face is not the negotiating goal of North Korea agreeing to forswear nuclear weapons. That was attained in 1985. At issue now is whether North Korea will live up to its commitments under the NPT. This compliance problem may involve further negotiations -- or other additional steps -- but at bottom, it is an implementation matter.

I also want to underscore here that, because the NPT is the world community's handle on nuclear programs like North Korea's, indefinite and unconditional extension of the Treaty is ACDA's highest priority for the coming year. I touch on this briefly tonight only because I know Tom Graham addressed it in detail earlier today.

A number of recent agreements -- such as Conventional Armed Forces (CFE) in Europe, Open Skies, INF, START and START II, and the Chemical Weapons Convention -- are joining older agreements such as the ABM Treaty and the NPT to create a prodigious architecture of international arms control law. More agreements are on the way.

Realizing the full potential of arms control agreements is becoming a momentous mission for the United States and for the Arms Control and Disarmament Agency. We are entering what might be called the arms control implementation era.

In some cases that means breaking new ground on verification -- for example, international inspectors with a right to look inside sensitive government installations or into your clients' businesses. In others it means updating longstanding agreements to accommodate unforeseen conditions -- like the emergence of theater missiles, much more capable than Scuds, in the hands of rogue states.

Let me mention just some of the issues this burgeoning national security mission entails.

Chemical Weapons Convention

The Chemical Weapons Convention, or CWC, presents an immense implementation challenge. It is also a tremendous achievement that will obligate the rest of the world to do what we have already largely decided to do: put an abominable genie back in the bottle and incinerate the bottle.

Today more than 25 countries are suspected of having chemical weapons or the ability to produce them. Significantly, no less than three-quarters of these countries have signed the CWC. Obviously we want them to ratify it as well, and to bring it into force as soon as possible.

The CWC may represent our greatest implementation effort yet -- whether viewed from the standpoint of history, of intrusiveness, of industry involvement, or of magnitude of coverage. To give you a rough idea, the IAEA oversees about 900 nuclear facilities in some 60 countries; by comparison, the CWC's implementing body, the Organization for the Prohibition of Chemical Weapons, will have access to over 25,000 facilities in at least 120 countries.

The Convention is now before the United States Congress. I remain hopeful that the Senate will give its advice and consent to ratification soon, to spur ratification by scores of other countries that are taking their cue from us. This would place us among the original parties to the Convention -- and thus on the ground floor of establishing, among other things, the practical mechanics of routine and challenge inspections.

The CWC embraces for us the central and fundamental truths about chemical agents designed to kill and maim in the cause of war: To make them is a waste; to keep them an affliction; to use them an abomination. To champion their destruction makes us at once more exemplary, more civilized and more secure.

We should get on with the task.

ABM Demarcation

The talks in Geneva to clarify the ABM Treaty show that, at times, implementation is negotiation -- with high stakes.

When the Treaty was negotiated, we and the Soviet Union did not resolve the demarcation between prohibited strategic defenses and permitted theater defenses. In 1972, there was no compelling need to do that.

But there is today -- not because we have changed our minds, but because the world has changed.

Recall the memory of SCUD missiles launched by Iraq. Now consider the specter of far more advanced theater missiles, possibly armed with nuclear, chemical or biological weapons, in the hands of a Libya, North Korea, or Iraq. That explains why this Administration wants to prepare capable theater defenses for our own forces and our allies and friends.

But we want to do so within the ABM Treaty, because the Treaty is important to the offensive force reductions now underway, and indispensable to the potential for further cuts.

Since last December our Acting Commissioner to the Standing Consultative Commission, Stan Riveles, has led the U.S. delegation through three rounds of demarcation negotiations in Geneva. The original U.S. proposal focussed on the velocity of the target missile, to define the threat our systems would be designed to defend against.

Since then, in the course of our negotiations, this proposal has been incorporated into a broader set of limits on such defensive systems that includes, but goes beyond, target missile velocity. The participants are discussing additional elements, such as confidence-building measures to provide assurance that our respective Theater Missile Defense systems are not used for nationwide strategic defense.

These negotiations have generated some concern, particularly among the staunchest defenders of the ABM Treaty, which went through some perilous times in the 1980s. But the best way to preserve the Treaty is not to fossilize it, but to treat it as a living text

that can still advance our security in a dramatically changed world -- and to do so, I remind you, not through unilateral fiat, but through negotiation with our Treaty partners.

The Clinton Administration's policy aims to protect us first and foremost through arms control -- by working hard to prevent new threats -- and second, by legally pursuing the development of theater defenses for those cases where arms control is not yet successful. Instead of pitting arms control and defense against one another, it marries the two.

The START Treaties

The START Treaties underscore another vital implementation task -- addressing the bulk of all the world's weapons of mass destruction that can be delivered with devastating force on our own country.

START was signed in July 1991, and START II in January 1993. Some think that means we have taken care of the problem of Soviet heavy missiles and counterforce capabilities, and deeply cut back strategic nuclear forces. Well, not quite.

We and the Russians are retiring missiles and bombers controlled under START, and eliminating some associated launchers as well. Under related agreements, some warheads are being moved out of Ukraine, Belarus and Kazakhstan, where they were left when the Soviet Union collapsed.

Nuclear force reductions in the former Soviet Union are being advanced in part through a \$1 billion program of assistance for the safe and secure dismantlement of former Soviet nuclear weapons -- which is a national security bargain.

But it is essential to keep in mind that no country is yet legally required to destroy a single missile, bomber or submarine under the START Treaties. They have not yet entered into force. START awaits Ukraine's accession to the NPT as a non-nuclear weapons state, which Russia made a condition of its own ratification. START II, in turn, depends on START and its entry into force. So what is being done now is in anticipation of but outside these formal arms control obligations.

I'm not such a purist as to suggest that is objectionable. Voluntary and compensated reductions are very much in our national interest.

But these valuable de facto efforts cannot substitute for de jure arms control. Why? Because our relationship with Russia could deteriorate, and things done voluntarily can be reversed. If Russia were to become more adversarial, weapons we have paid to remove could be replaced. So we are far better served by having reductions and eliminations agreed, ratified, and legally binding -- regardless of how the future unfolds.

And of course, whether or not the relationship becomes more difficult, it will be of great value to put into force the detailed verification provisions – including the web of twelve different kinds of on-site inspections – that the Treaties provide.

That means two things. First, we must make sure that nothing we are doing prior to entry into force of the START Treaties will interfere with their formal legal implementation or compromise the compliance process.

Second, we must aggressively pursue efforts in the START Treaty's Joint Compliance and Inspection Commission (or JCIC) to resolve issues that must be worked out prior to, or shortly after, START's entry into force.

The U.S. delegation to the JCIC, led by Ambassador Steve Steiner of ACDA, has been making great progress on those issues. The five parties in the JCIC have already completed some 35 agreements and joint statements. The issues that remain include some of the most difficult and intractable issues kicked down the road – or not even considered – in the original negotiations. Even as to these tough nuts, we are moving toward solutions.

The INF Treaty

With START, a good deal of our work has been directed to making a treaty that was negotiated as a bilateral agreement into a multilateral agreement. Implementation of the INF Treaty presents the same issue of multilateralization writ even larger. We have sought to bring all twelve successor states on board as parties to the INF Treaty.

In private practice, as you might expect, I had little exposure to the law of succession to treaties. Now I am becoming quite familiar with it. Indeed, it may well have seen greater application in the last five years than in the previous fifty. Virtually all of our originally bilateral arms control treaties until recently either had states that wanted to join as successors or that we wanted to see as successors, or both.

The broad question presented by such concerns was how to apply a bilateral agreement to a four or twelve nation context. The basic answer is, "You work it out." In practice this means challenging implementation, often including negotiation.

This has required new procedures and substantial diplomatic activity with all twelve successor states as well as the key implementing four – again, Belarus, Kazakhstan, Russia and Ukraine.

These parties do not necessarily like or trust one another. Sovereignty understandably has been an ongoing concern of the new states. Anything that even appears unequal, either in treaty implementation or in the conduct of the parties, can be disruptive -- and we invariably hear about it.

There are certain practical difficulties. Small delegations have no interpreters. Who should sit next to whom? Budgets are tight. Feelings can run high.

That means many seemingly uncontroversial implementation issues have become politicized. For example, none of the new independent states wants us to enter its territory for inspections through the territory of another party -- frankly, through Russia. So for the INF Treaty as well as START, the four implementing states now have their own points of entry for inspections.

An unexpected but significant side benefit has resulted from all these efforts relating to START as well as INF. They have given us a framework in which we have already been able to influence in productive ways the defense planning and national security decisions of our four partner states. By lending them our good offices to help work out complex issues between us -- and between them -- we have deepened our engagement with four critical countries during an important and formative period.

Conclusion

As I indicated at the outset, after about six months on the job I am sensing a danger to the arms control implementation and verification mission. It lies in several intersecting trends and conditions.

The first is the advent of the implementation era. With CFE, CWC, INF, START, the NPT, Open Skies, a possible global test ban, the fissile material cutoff, and other initiatives, we are piling up arms control implementation and verification requirements. So among national security missions, this (happily) is a growth industry.

But keep in mind that while arms control is considerably less expensive than additional defenses, it is not free -- especially when it comes to verification.

A second condition is that the agency with the principal policy role in implementation and verification -- which happens to be ACDA -- has abundant responsibilities, but controls none of the relevant assets. We are required, for example, to assess for the Congress whether arms control agreements can be verified, and to report back if there is any change. But verification depends on radars, sensors, satellites, on-site inspectors, and other assets owned and operated entirely by other agencies, not by ACDA.

And a third trend, with which you're all familiar, is that most agencies of the government are cutting their budgets, to attack more than a decade of deficits and thereby rescue the economy. The policy is sound and it's working. But deep cuts are expected from agencies like Defense, Energy, and Intelligence, whose missions have changed in the aftermath of the Cold War.

All of those agencies quite reasonably will apply their own standards of cost-effectiveness to their budgets -- balancing defense or intelligence requirements against arms control verification.

You can see the tension. Already it has occupied a considerable amount of my time as Director of ACDA. In the months ahead it could well become a preoccupation. I invite you to worry about it too, if you are so inclined.

However we resolve this tension, my central message remains -- that on a daily basis, in our interagency implementing efforts, in the related work of the On-Site Inspection Agency, more broadly in the Departments of Defense and Energy, in the intelligence community, in the diligent and creative nonproliferation efforts of the Department of State -- real arms control is being steadily achieved.

We must implement our agreements with vigor and without delay. We must finish the jobs we have started. Parents as well as playwrights will tell you that the realization is no less important than the conception.

Because this is what arms control means to Americans. Most people are more interested in what we have done than in what we have agreed to do. They realize something that we inside the Beltway often forget: After the Rose Garden ceremonies have ended, and the strains of "Hail to the Chief" have died away, the heavy lifting has just begun.

THE WHITE HOUSE

WASHINGTON

March 28, 1994

Dear Mr. Speaker:

I am pleased to transmit the United States Arms Control and Disarmament Agency (ACDA) Annual Report for 1993.

As a national security agency, ACDA works in collaboration with the Department of State and with other agencies of the U.S. Government. This report addresses ACDA's part in national security policy development and implementation.

On July 3, 1993, after a comprehensive review, I decided to strengthen and revitalize ACDA in order for it to play an active role in meeting the arms control and nonproliferation challenges of the post-Cold War era.

This report, although mandated by current law, reflects new priorities for ACDA in pending legislation. This legislation was initially developed under the leadership of the Chairman of the Senate Foreign Relations Committee, Senator Claiborne Pell, has received wide bipartisan support in both Houses of Congress, and has now been approved by the Senate.

The ACDA's revitalization reaffirms and strengthens the agency's key function in developing and implementing arms control, nonproliferation, and disarmament policies. A specialized, technically competent, and independent arms control institution remains important to the Nation.

The ACDA's responsibilities include:

-- Providing advice:

- the ACDA Director acts as principal adviser to the President and the Secretary of State on arms control, nonproliferation, and disarmament;
- the ACDA provides legal advisers to arms control, **nonproliferation, and disarmament** negotiations.

-- Negotiating:

- leading the U.S. Comprehensive Test Ban negotiating team at the Conference on Disarmament in Geneva;
- leading the U.S. negotiating team at the 1995 Treaty on the Nonproliferation of Nuclear Weapons Conference;
- chairing the Washington backstopping (policy support) group for the Conference on Disarmament;
- participating in the Safety, Security, and Dismantlement Talks.

-- Implementing and verifying:

- leading the U.S. delegation to the Chemical Weapons Convention Preparatory Commission, and to the Organization for the Prohibition of Chemical Weapons that will succeed it;
- leading the U.S. delegations to all meetings and conferences on the Biological Weapons Convention;
- leading the U.S. delegation to the Joint Compliance and Inspection Commission of the Strategic Arms Reduction Treaty;
- leading the U.S. delegation to the Special Verification Commission of the Intermediate-range Nuclear Forces Treaty;
- leading the U.S. component of the Standing Consultative Commission of the Anti-Ballistic Missile Treaty;
- leading the U.S. delegation to the Bilateral Consultative Commission of the Threshold Nuclear Test Ban Treaty;
- drafting, with interagency coordination, the Annual Report to Congress on *Adherence to and Compliance with Arms Control Agreements*;
- providing the Principal Deputy Director of the On-Site Inspection Agency;

- participating in the U.S. delegation to the Joint Consultative Group of the Conventional Forces in Europe Treaty;
- participating in the U.S. delegation to the Open Skies Consultative Commission of the Open Skies Treaty.
- Controlling exports:
 - participating in meetings of the Zangger Committee and the Nuclear Suppliers Group on nuclear weapons related exports;
 - participating in meetings of the Australia Group on chemical and biological weapons related exports;
 - participating in the meetings of the Missile Technology Control Regime.
- Coordinating and reporting on research on arms control, nonproliferation, and disarmament.
- Informing and educating the public:
 - leading the Interagency Working Group on Public Diplomacy for Arms Control and Nonproliferation;
 - publishing extensively on arms control, nonproliferation, and disarmament.

My decision to strengthen and revitalize ACDA, combined with continued congressional support, will help the U.S. Government move vigorously to eliminate the overarmament of the Cold War, stem the proliferation of weapons of mass destruction and their means of delivery, and apply arms control solutions to regional problems.

The report offers a summary of the broad range of complex issues that ACDA deals with each day; I commend it to your attention.

Sincerely,

William T. Clinton

The Honorable Thomas S. Foley
Speaker of the
House of Representatives
Washington, D.C. 20515

QUESTIONS SUBMITTED TO THE U.S. ARMS CONTROL
AND DISARMAMENT AGENCY

Nuclear Non-Proliferation Treaty (NPT)

How could the NPT be strengthened to avoid evasion, as in Iraq, and disregard, as in the case of North Korea?

Q. Will the U.S. be seeking to strengthen the NPT at the 1995 extension conference?

A. Verification and compliance issues will undoubtedly be paramount concerns of the parties in 1995 as this is the first conference of NPT parties since Iraq's and North Korea's Treaty violations were uncovered. At the 1995 NPT Conference, the U.S. will seek to strengthen the implementation of the NPT by identifying measures that can be pursued in other fora, what we would call a "constructive parallelism", such as strengthened safeguards and expanded export controls. This has been done at past NPT Review Conferences. For example, in 1990 the parties agreed to reinvigorate the provision for special International Atomic Energy Agency (IAEA) inspections under NPT safeguards agreements. We expect to revisit the issue of special inspections in 1995 and to seek a reaffirmation by the parties to the central role of such inspections in NPT verification. Other measures to increase the assurance that proliferant activities will be detected, such as environmental monitoring, are also being looked at by the IAEA and should be endorsed by the 1995 NPT Conference.

One of the best and most direct ways to strengthen the NPT is to extend it indefinitely in 1995 and make it a permanent

part of the international security system. That is one of the main reasons why President Clinton made indefinite NPT extension a high priority of our country's nonproliferation policy. A decision by the parties for indefinite NPT extension would send a strong message to potential proliferators, whether within or outside the Treaty regime, that nuclear proliferation will not be tolerated. Such a signal from the international community would be a significant deterrent to further nuclear proliferation.

Chemical and Biological Weapons

- Q. If so, which agreements, if any, would this conduct violate?
- The Bilateral Non-Production and Destruction Agreement between Russia and the United States?
 - The U.S.-Russian Wyoming Memorandum of Understanding?

A. Upon entry into force of the Bilateral Non-Production and Destruction Agreement, both sides must halt production of chemical weapons. The agreement has not entered into force yet.

The Wyoming MOU does not prohibit the development or production of chemical weapons, but under the MOU provisions, the Phase II data exchange was to include detailed data on the entire Soviet/Russian CW program, including research, development, production, and storage. The Soviet Union in September 1989, and subsequently, Russia in May 1994, did not declare binary chemical weapons of the type described by Vil Mirzayanov, or production facilities for such weapons.

Chemical and Biological Weapons

Q. What should be done to strengthen controls on the production of biological weapons?

A. At the September 1991 Biological Weapons Convention (BWC) Third Review Conference, States Parties determined to strengthen the effectiveness and improve the implementation of the Convention and recognizing that effective verification could reinforce the Convention, mandated the convening of an Ad Hoc Group of Government Experts to identify and examine potential verification measures from a scientific and technical standpoint. The Group completed its work in September 1993 and circulated a consensus report to all States Parties. Consistent with the mandate, a Special Conference will take place in September 1994 to consider further action. The U.S. objective for the Special Conference is for the Conference to adopt an agreed mandate that will provide for subsequent drafting of a legally binding protocol, which will establish a set of mutually reinforcing transparency measures designed to deter violations of the BWC and to strengthen confidence in compliance.

Nuclear Testing

Q. Under what conditions would the U.S. resume nuclear testing?

How would the conduct of hydronuclear tests by the U.S. effect the informal, international testing moratorium? the negotiations for a CTB?

A. President Clinton last March extended the U.S. moratorium on nuclear weapon testing until September 1995. It is difficult to speculate what circumstances could induce the U.S. to break our declared moratorium, except to say that the circumstances would need to be quite serious and grave. As you know, the U.S. is currently engaged in negotiations in Geneva on a comprehensive test ban treaty, which the U.S. is committed to achieving at the earliest possible time. Our delegation in Geneva has been hard at work to realize this objective. Once the treaty is signed, the U.S. obviously will be bound by its prohibition against nuclear weapon testing. However, this treaty, like most treaties, will no doubt permit states parties to withdraw if they determine that their supreme national interests are jeopardized.

The possible effect of hydronuclear tests on the moratorium conducted by other nuclear weapon states has not been an international issue. Nor has the conduct of hydronuclear tests been an issue in the formal CD negotiations as a whole. The question of the scope of the treaty is under negotiation both in the CD and among the nuclear weapons states, and hydronuclear tests can be expected to be dealt with in this context.

Nuclear Testing

Q. Does the U.S. oppose the inclusion of Iraq and other rogue regimes in the CTB?

If so, why? Isn't it in our interest to have a commitment by rogue states not to test nuclear weapons.

A. While the U.S. has opposed admitting Iraq as a member of the Conference on Disarmament as long as sanctions against Iraq continues, the U.S. does not oppose the inclusion of any state in the CTBT. On the contrary, the U.S. hopes that the treaty eventually gains universal adherence.

Conventional Arms Transfers

The Defense Department has unveiled its Coalition Force Enhancement Proposal, which calls for selling high-tech U.S. military equipment abroad and using the proceeds to purchase a new generation of equipment for the U.S. arsenal. As a test run, the Air Force plans to sell roughly 400 F-16 fighter aircraft to prospective coalition partners.

Q. What effect, if any, do you believe the sale of 400 F-16's abroad would have on U.S. efforts to stem the proliferation of conventional weapons?

How would it affect multilateral efforts such as the Perm-5 process?

How would it affect U.S. bilateral efforts such as those directed at China and Russia?

A. Any sales of F-16s eligible for transfer under this proposed program will be evaluated according to all relevant arms export policy criteria, on a case-by-case basis. ACDA will concur only in proposed sales that are consistent with U.S. arms control and nonproliferation interests.

The Perm-5 process has been inactive since China suspended its participation in 1992 in response to the U.S. decision to sell F-16 aircraft to Taiwan. The rigorous interagency review process will ensure that this proposed Air Force program, if implemented, will minimize the possibility that it might have an adverse effect on international efforts to promote transparency, restraint, and responsibility in international transfers of conventional arms, e.g., the post-COCOM regime and bilateral efforts regarding China and Russia.

Conventional Arms Transfers

Q. What risk, if any, do you believe exists that the sale of 400 F-16's abroad would provoke one or more regional arms races?

What can we learn from the Indian threat of "retaliation" in response to the Administrations's proposal to transfer 38 F-16's to Pakistan?

A. In view of the thorough interagency review that will precede any decision to sell additional F-16s -- including ACDA's assessment of whether the proposed transfer(s) might contribute to regional arms races -- such risks will be minimized.

India's reaction to the possible delivery of previously-approved F-16s to Pakistan highlights the need to evaluate arms exports in their regional contexts and to integrate arms transfers into our overall regional security policy.

Conventional Arms Transfers

Q. What is your assessment of the danger that advanced conventional arms sold under the CFEP will end up in the wrong hands?

What is the likelihood that we will find ourselves facing an adversary armed with U.S. weapons?

What, if any, end use controls are contemplated for the weapons exported under the proposal?

A. Any sales of F-16s will be subject to the strict re-transfer provisions of the Arms Export Control Act as implemented through the security assistance program. Additional conditions may be attached if appropriate. These controls will minimize possibilities of diversion to unauthorized destinations. The recent history of U.S. arms transfers reveals only a few instances in which regime changes in recipient countries proved hostile to the U.S. interests (e.g., Iran). I am not aware of any recent instance in which U.S. forces faced U.S.-supplied weapons in combat. There is no reason to believe that this pattern will change.

Fissile Material

The Administration has proposed a multilateral convention prohibiting the production of plutonium or highly enriched uranium (HEU) for weapon purposes or outside of international safeguards.

Q. Does the safeguarded production of plutonium for non-weapons purposes -- ie. as part of a nuclear energy program -- pose a proliferation risk?

A. I do not believe the civil nuclear programs in Western Europe and Japan pose a significant risk of proliferation. The non-proliferation credentials of these countries, our closest allies, are excellent. Nonetheless, it is Administration policy to seek to eliminate where possible the accumulation of stockpiles of plutonium and to ensure that any existing stockpiles are subject to the highest standards of safety, security and international accountability. We are consulting with these countries on ways to accomplish these objectives. In certain other parts of the world the presence of separated plutonium in civil nuclear programs does, however, pose significant proliferation risks even if safeguarded. This is not due to any shortcoming in safeguards but rather to the suspicions and instability caused by the presence of weapons usable material in regions of tension and to the facts that safeguards cannot predict future actions or physically prevent a diversion.

Fissile Material

Q. How confident are we that international inspectors would be able to detect a diversion of a bomb-quantity of plutonium from a bulk plutonium handling facility, like those planned by Japan?

A. We believe that in a country such as Japan the risk of a diversion of a bomb-quantity of plutonium, undetected by international inspectors, is virtually zero. The Japanese are committed, under their agreement for cooperation with us, to safeguards that will enable attainment of IAEA safeguards objectives and inspection goals. The IAEA recently completed an international project, supported by Japan and participated in by the United States, which investigated safeguards technology for large reprocessing plants, including that planned by Japan, and which concluded that the techniques currently available and embodied in new plant design will enable effective safeguards to be implemented and the necessary high level of assurance achieved.

This conclusion, which we share, is based not only on the latest advances in nuclear material measurement technology but also on a range of qualitative measures, such as facility design verification, surveillance of key facility operations and continuous inspector presence, whose contributions to assurance are significant but not quantifiable.

Fissile Material

Q. What priority is this so-called Cutoff Convention being given at the Conference on Disarmament?

A: In January 1994, the Conference on Disarmament (CD) appointed a special coordinator for cutoff, Canadian Ambassador Gerald Shannon. Since January, Ambassador Shannon has been conducting informal consultations with CD member states to determine the feasibility of negotiating such a cutoff treaty in the CD. Ambassador Shannon reported on June 30, 1994 that there appeared to be a consensus in the CD that it was the appropriate forum for cutoff negotiations, but there was no agreement yet on a draft negotiating mandate for an Ad Hoc Committee. The US is urging other CD delegations to reach consensus on such a mandate as soon as possible with the goal that an Ad Hoc Committee be established during the final round this year of the CD, which begins on July 25th. Until such a committee is established, formal negotiations on cutoff treaty will not begin in the CD.

Fissile Material

Q. How does the President's decision to discourage the civil use of plutonium and to limit its stockpiling affect our negotiating position on a new U.S.-Euratom agreement?

A. The President has reassured our negotiating partners in Euratom that the United States will maintain its existing commitments regarding civil use of plutonium in Western Europe. The non-proliferation policy, which includes exploring means to limit the stockpiling of plutonium from civil programs, is carried out in parallel with our negotiations of a new U.S.-Euratom agreement. We are not seeking to use the negotiation of a new agreement with Euratom to impose United States views on the civil use of plutonium.

Fissile Material

Q. Is there any sound economic or security justification for the civil use of plutonium?

A. In the view of the United States there is not a sound economic and security justification for the civil use of plutonium. Other countries, however, including some who are our closest allies and whose non-proliferation credentials are excellent, have different views and believe that their reprocessing and civil use of plutonium are justified.

ACDA Revitalization

The report that your Agency does on the world's military expenditures and arms transfers contains excellent statistical information and analysis, and it highlights some revealing trends. But it gets to us too late to be as useful as it might otherwise be. The last report covered 1991 and 1992 but we received it in April 1994. For example, the report reveals that North Korean armed forces grew 1.2 million soldiers in 1990, making it the world's largest army relative to population. It would have been important to know this information sooner and it would be good to know if North Korea still holds this distinction.

I am sure that you already noted the "legislative nudge" for this report that we put into the ACDA authorizing legislation mandating a deadline of December 31 of each year for completion of the report.

Q. Can these reports ["that your agency does on the world's military expenditures and arms transfers"] be produced in a more timely manner?

A. Yes, these WMEAT reports can be produced more regularly and we are also endeavoring to bring the years covered in the data closer to the publication time. There are, however, two types of problems involved -- one concerns staffing and the second, data availability. As to staff, one of the three staff members that produces WMEAT has left and the remaining two have been asked to perform other pressing types of work in addition to preparing WMEAT. As to data, some types, particularly military expenditures, central government expenditures, and GNP, often become available only with a considerable lag of more than a year, and sometimes, of course, not at all. This problem has recently been exacerbated by the advent of new countries, by frequent cases of rampant price inflation and attendant data distortions, and by the tendency of U.S. intelligence agencies to diminish collection

efforts for these types of data due to budgetary retrenchment. All this increases our arduous task of estimating fills for the gaps in order to estimate credible totals for the world and other groupings, one of the distinctive features of WMEAT. Nevertheless, we are making a concerted effort to reduce the interval between coverage and publication times.

ACDA Revitalization

Q. Will you meet our deadline this December for 1992 and 1993?

A. We are aiming to issue the next edition this year, as you have called for. This edition will be titled WMEAT 1993-1994; future editions will resume the practice of carrying the year of issue in the title (WMEAT 1995, etc.). As with the previous edition (WMEAT 1991-1992, released at the beginning of this year), the next edition will add two years of coverage, 1992 and 1993, instead of the usual one. No previous edition has attempted so short an interval between coverage and publication times.



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ACDA Revitalization

Q. What initiatives have you taken to make the findings in these reports more timely, relevant, and targetted to policy?

A. We are improving our data collection practices, requesting more complete and prompt assistance from other U.S. government agencies, adjusting our country groupings to reflect recent political developments, and exploring new types of tables and graphic data presentation to make the reports more policy-relevant. Where feasible, we provide Congressional requesters with available information in advance of publication.





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